

FISCAL NOTE

HB 44 - SB 479

April 2, 2007

SUMMARY OF BILL: Creates the “Lottery Capital Outlay Special Account.” Authorizes transfers of excess net lottery proceeds, to be appropriated by the General Assembly, from the Lottery for Education Account to the Lottery Capital Outlay Special Account, whereby such funds shall be used exclusively for the purpose of making non-repayable grants to certain local education agencies for capital outlay projects for K-12 educational facilities in high growth rate school districts. Requires the Comptroller to develop and administer the grant program. Any administrative costs incurred by the Comptroller shall be funded by the special account as a part of the program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The fiscal impact of this bill is dependent upon (1) the extent of excess net lottery proceeds in any given year and (2) the extent of appropriations made by the General Assembly in any given year from the Lottery for Education Account to the Lottery Capital Outlay Special Account. As a result, determining a precise fiscal impact for this bill is difficult. However, such local government grants (funds earmarked for lottery scholarships and grants under current law) are reasonably estimated to exceed \$100,000 per year. In addition to any local government grants, there will be an increase to one-time and recurring state expenditures, for incremental administrative costs, estimated to be \$50,000 and \$85,000 respectively for FY07-08. Such recurring administrative costs are estimated to be \$75,000 in FY08-09. Any increase of administrative costs will be paid for with funds deposited/transferred to the Lottery Capital Outlay Special Account from excess net lottery proceeds.

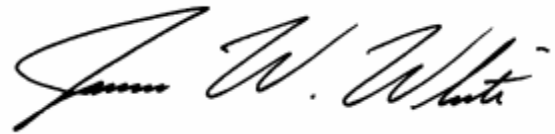
Assumptions:

- “High growth rate school district” means a school district that has experienced a two percent (2%) or greater annual increase in K-12 student population over the three (3) school-year period immediately proceeding application for a capital outlay grant.

- Capital outlay grants shall supplement, not supplant, non-lottery educational resources for capital outlay projects for K-12 educational facilities.
- According to the Office of the Comptroller, the increase of one-time and recurring costs to administer the grant program proposed is estimated to be \$50,000 and \$85,000 respectively for FY07-08. The increase to recurring state expenditures is estimated to be \$75,000 for FY08-09. Such increased administrative costs are to be paid from funds deposited/transferred to the Lottery Capital Outlay Special Account.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director